



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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December 22, 1997

Eric York
Moab Salt, Inc. (PCS Potash)
P.O. Box 1208
Moab, UT 84532

Re: Final Approval, Moab Salt, Inc., Cane Creek Mine, M//019/005, Grand County, Utah

Dear Mr. York:

The Division of Oil, Gas and Mining (Division) records do not contain a final approval for the Cane Creek Mine. The large mine operation notice of intention reached a level of tentative approval with the Division on July 11, 1989. The Board of Oil, Gas and Mining approved the form and amount of reclamation surety on November 29, 1989. The Division's final approval was conditioned upon Moab Salt's commitment to address several stipulations which were listed in the Division July 11, 1989 and February 23, 1989 letters.

The stipulations referenced in the July 11, 1989 letter are summarized below with the resolution dates and comments shown in italicized print below each stipulation. The Bureau of Water Pollution Control (BWPC) is now known as the Division of Water Quality (DWQ).

1. Subsidence Monitoring Plan
A subsidence engineering report was provided in lieu of a subsidence monitoring plan. After reviewing the report the Division concluded in the May 3, 1990 letter that subsidence monitoring or additional reports would not be required.
2. Signed and Notarized revised signature page.
Received by the Division on 9/11/89.
- 3-1. Runoff/Canyon Collection System Improvements - evaluation by DOGM & BWPC
A conceptual plan dated August 10, 1989 was submitted to BWPC. A revision of this conceptual plan titled "Conceptual Plan, Study of the Potential Salt Loading on Local Hydrology" dated November 10, 1989 was submitted to BWPC on November 20, 1989. This revised plan was submitted to the Division on April 12, 1990. A Division memo of June 8, 1990 recommends acknowledging this conceptual plan has addressed this stipulation.

F.Y.I. - - A letter from BWPC dated June 14, 1990, offers comment on this conceptual plan. The letter states "If Moab Salt can implement an acceptable leak testing process, we could be willing to forego the

runoff quality and water balance studies for the evaporation ponds and the monitoring wells proposed for the canyon collection system."

- 3-2. Ground Water Discharge from the Brine Lake evaluation by BWPC
The "Conceptual Plan, Study of Potential Salt Loading on Local Hydrology" dated November 10, 1989 included a section on the Brine Lake. Moab Salt had Earthfax Engineering, Inc. perform a study of the brine lake area. The Earthfax report is titled "Potential For Brine Seepage Along Rock Fractures, Brine Lake Storage Area, Cane Creek Mine, Grand County, Utah" with a date of June 26, 1989. The report presents results of a surficial geologic field investigation and a very-low-frequency electromagnetic (VLF-EM) survey of bedrock fractures underlying the brine storage lake, brine lake abutments and spillway at the mine.
- 3-3. Water Balance Evaluation and River Water Quality Monitoring above and below the mine site - reviewed by BWPC
The Water Balance is calculated on an annual basis by Moab Salt, however, it is not a requirement of their current U.I.C. permit. Water Quality Monitoring of the Colorado River is performed quarterly and submitted to DWQ as required under the current U.I.C. permit.
- 3-4. Catch Pond Below the Brine Lake - adequacy evaluation by BWPC
The text of the plan was modified to include a description of reclamation of the brine lake & submitted August 17, 1989. The second draft of a conceptual pond leakage mitigation plan was submitted on 4/12/90.
- 3-5. Handling of Storm Water Runoff - evaluation of proposed storm water plan by DOGM & BWPC
Moab Salt submitted a general permit application for Stormwater Runoff according to the UPDES requirements of the Utah Water Quality Act. General Permit number UTR000000 was given to Moab Salt, Inc. with an effective date of October 1, 1992 and an expiration date of September 30, 1997. Moab Salt has a Spill Prevention and Stormwater Control Plan in place with an effective date of October 2, 1993.
- 3-6. Plant Site Runoff - evaluation of mitigating measures to limit runoff & ground water Discharge by DOGM & BWPC
(Same response as in item 3-5.) Moab Salt submitted a general permit application for Stormwater Runoff according to the UPDES requirements of the Utah Water Quality Act. General Permit number UTR000000 was given to Moab Salt, Inc. with an effective date of October 1, 1992 and an expiration date of September 30, 1997. Moab Salt has a Spill Prevention and Stormwater Control Plan in place with an effective date of October 2, 1993.
- 3-7. Ground Water Discharge from the Storage Area - evaluation by BWPC
(NOT APPLICABLE FOR THE DIVISION)
- 3-8. Ground Water Discharges from the Evaporation Ponds - evaluation by BWPC
(NOT APPLICABLE FOR THE DIVISION)

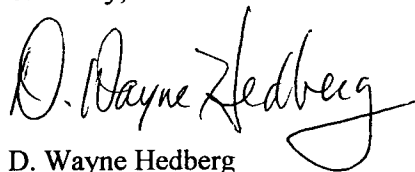
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3-9. Sanitary Wastewater Treatment System - evaluation by BWPC
~~(NOT APPLICABLE FOR THE DIVISION)~~

The Division's minerals rules include a section addressing the impacts of mining operations on surface and groundwater, however, the Division of Water Quality has the primary/lead regulatory authority and purview when dealing with such impacts. In hindsight, the Division's final approval should not have been conditioned upon satisfying the permitting conditions of the Division of Water Quality. To remedy this situation, the Division **hereby issues final approval** for the Cane Creek Mine large mining operation notice of intention initially submitted on June 6, 1977. Approval by the Division does not relieve Moab Salt from the responsibility of complying with other appropriate state and federal permitting requirements.

Although this final approval had not been granted sooner, the Moab Salt Operations have been operating in accordance with the Minerals Rules. The delinquency of this final approval should not be interpreted as a lack of compliance on the part of Moab Salt. We realize this approval has been a piece of unfinished business for some time and offer our apology for the inconvenience. Please contact me if you have any questions regarding this issue.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: Harry Campbell, DWQ (Stormwater)
Steve McNeal, DWQ
Mary Ann Wright, DOGM
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